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THE LIQUOR LAW

AND

ITS ADMINISTRATION IN SUBURBAN CITIES

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Massachusetts Civic League.
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This paper is sent out to the citizens of the State by the Massachusetts Civic League as a dispassionate unveiling of the facts, seen from within and known at first-hand, with regard to the operation of no license in one of our smaller manufacturing cities. It is hoped that the statement may have a wide reading on the part of those who are inclined to think that belief in the effectiveness and value of no license is chiefly a matter of presupposition. It is hard to see how a more effective demonstration could be presented in so far, at least, as towns and smaller cities are concerned, of the economic fatuity of granting licenses for the sale of intoxicating drinks. Particular attention is called to Mr. Lyman's testimony as to the attitude toward drink, during no license years, of a large proportion of men who would otherwise frequent the saloon. This testimony goes far to undermine the hypothesis on which all concrete argument against no license is based. Mr. Lyman's personal experience, also, as to the successful enforcement of the law and his confidence in the power of a reasonable degree of public spirit in this direction, goes far to weaken the easily-made conclusion that the liquor interest will prevail against the public sanction of our municipalities and the Commonwealth.

This leaflet will be supplied for 3 cents a copy at 3 Joy Street, Boston.

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THE LIQUOR LAW AND ITS ADMINISTRATION IN SUBURBAN CITIES.

My practical experience with the question of license or no license and of the administration of the liquor laws has been only in their relations to a city of moderate size, one of the suburban cities in the neighborhood of Boston, affected as to this problem by its contiguity to Boston, but politically entirely independent. I was chairman of the board of license commissioners in 1894 and 1895, and as mayor of Waltham was responsible for the administration of the law through the police during the year 1896.

The board of license commissioners at the time I was a member was a new board created under the law of 1894, embodied in chapter 100 of the revised laws of Massachusetts. My associates on the board were two successful manufacturers of the city, both of them able and absolutely honest. I think we were all of us free from any narrowness in point of view, no one of us being a total abstainer and no one of us having any relations with any dealer. The administration of the law was treated solely from the various points of view presented by the social and moral needs of the city and the business requirements of the dealers and their temptations towards the avoidable evils of their business.

I suppose there are few persons who would not agree that it would be well if intoxicating liquor had never been discovered and if mankind, like the animals,

were without experience of its effects, just as the nobles of the Roman empire and the lords and ladies of the middle ages were without experience of the pleasures and abuses of tobacco.

We started our work after the licenses had been granted for the year 1894 and during that license year our efforts were mainly devoted to enforcing the proper observance of the law, and to acquiring information upon which to base our regulations and actions for the succeeding year. During this period we were under great obligations to the mayor of the city for the support he gave us and the information and assistance that we got from the police force through his interest and co-operation. The license commissioners had no control over the police force and their relations with it were those of two independent departments. As in most smaller cities, the police force was under the direct control of the mayor. I want this thought to be borne in mind because where there is a separation of the two departments, one department having charge of licenses and another department having control of the police force, it is essential for the proper regulation of the law under license that the two authorities should be in harmony. I have had experience in both situations and I know that where cordial co-operation does not exist the best results are not obtained. I also know that in all cities where the mayor controls the police force an important consideration in the selection of the mayor should be his attitude towards the enforcement of the liquor law under license or no license. The existence of places selling liquor under no license is chargeable directly to the official having control of the police force. The police force is willing and ready to carry out the law, having a certain quasi military

esprit de corps, if it is supported and encouraged by its head.

In May, 1895, we granted licenses to the full number allowed by law, one for every thousand of the population. Our license fee was said to be the highest in the world, running from $2,700 to $3,300, yet there were applications for more than the number of licenses allowed by law. The fee was fixed after long deliberation upon the ground that being a partial monopoly the tax in the main came from the dealer, and it was proper that the business should pay to the city and the commonwealth all that the business could properly stand. The fee may have been too high, though I think not. The experience of a second year would have thrown light on this point, but the city went no license the following autumn, and with the exception of one year, it has been no license ever since. In that year, 1900, the fee was nearly as high. The claim is made against a high license that it tends to adulteration of liquors and to abuses, such as the bartender's urging people who are intoxicated to drink. This was not our experience and is not our belief. We had reason to believe that owing to the amount staked in the license fee, coupled with careful inspection of the premises, warnings in cases of intoxication and occasional inspection of liquors, that instead of using inferior quality of liquor, or liquor adulterated with injurious drugs, a better quality of liquors was sold and better order preserved.

As I said above, the city went no license in the fall election of 1895, and the licenses under the Massachusetts law expiring May 1, 1896, I had no opportunity as mayor, to administer license law after that date. I had the advantage of having a police force which was

efficiently managed and with its aid, by the middle of the summer practically all illegal liquor selling had been stopped. I state this merely to prove from actual experience and for the benefit of all similarly situated cities, that illegal selling can be stopped if either the mayor has the proper spirit or public opinion forces him. There is no excuse in any town with public spirit for tolerating the illicit sale of intoxicating liquors, yet this is not generally known. Within a year I have heard citizens of a large, prosperous and public spirited town saying that the illegal sale of liquor could not be stopped. The United States authorities find the places and most of them have United States licenses. A friend of mine, a resident of another city, told me once that there were thirteen places in that city having United States licenses in a no license year. This means that thirteen places were selling contrary to the law of the state and had been discovered or had feared discovery by the officers of the United States government. He spoke of it as a small number, and it was. If the United States officers can find places certainly the local police can, and the mayor or public spirited citizens can make them do it.

I believe that the plan of high license in a city of this kind was as carefully tested for effective results as is possible with the experience of one year, and I do not now see what more could have been done to improve conditions. As I have said, the law is good, in the main. The license commission was most painstaking and during a part of the time had the most efficient support from the police authorities (to wit, the mayor). I think there is no question but that the conditions of this particular city under no license were vastly better than under the best administration of very high license

we could give. The results can be traced in the arrests, not only for drunkenness but other crimes; but a far stronger proof is in the general conditions of prosperity among the poorer classes in the years of no license as testified to by the police department, physicians and persons working with the poor, and the large employers of labor. The testimony is practically unanimous that under no license, even under mayors who did not properly enforce the law, there was far less suffering among the poor, far fewer cold and hungry children and cheerless homes. People of large means do not appreciate how large a proportion of the total wages of a man are taken from the support of his family by a few drinks a day, even when not sufficient in number to cut down his capacity to make wages. A dollar a day taken from an income of $5,000 does not largely reduce the percentage available for the support of a family, but twenty-five cents a day from a laborer's wages means all the difference between comparative comfort and want.

A very striking thing in the study of the problem is that in spite of the fact that Waltham is within ten miles of Boston where liquor can always be bought and sent by express, as soon as the licenses expire a large proportion of the men who have been drinking during the license year, give it up. One would think that a habit once acquired would be persisted in at the slight additional inconvenience of either going to Boston or sending there, but it seems clearly established that this is not the case. The majority of working men, if the saloons are not at hand, either do not drink at all, or drink very little. Leaving out of consideration confirmed drinkers, the habit seems to be one which is readily formed if opportunities are thrust upon one,

and almost as readily dropped if the opportunities are made less easy. In a particular year of very rank administration of the no license law, certain men I know of could at any time get liquor in bottles or by the glass. The administration that year was so bad that the moral sense of the community revolted and the city voted for license, but even in that year the physical condition of the people in general was better than under our high license administration.

I believe that the question is wholly moral and social. At the same time, there is always an attempt to bring in pecuniary considerations as an argument in favor of license. I believe these arguments are without foundation and that instead of its being a pecuniary advantage to a city of the kind I am dealing with to have license and get the benefit of the license fees, it is a substantial pecuniary loss to the whole community. I am going to use my own city as an example to illustrate what I mean, and I think the considerations are similar in most suburban cities, probably in all others in Massachusetts, except the largest.

The argument is that the large receipts from the license fees will reduce the tax rate. Our license fees, for instance, for the year 1900, were a total of $48,015, of which one-fourth, under the Massachusetts laws, went to the state. The expenditures of the commission were about $900, making a net income to the city of about $35,000. The valuation of the city was approximately $20,000,000, from which it can be figured that the expenditure of each $1,000 is equivalent to five cents a thousand on the tax rate. The license argument is that the license receipts reduce the tax rate in the same ratio. In other words, $35,000 received from license fees should reduce the tax rate about $1.75.

But we know by experience that the receipt of license fees does not reduce the tax rate to any such extent as is promised. The reason for this is that the money comes easily and is generally more or less wasted.

But assume that it is all used to reduce the tax levy, let us look at it as a tax and see whether it is one which is worth collecting. First, in its purely economic effect in dollars and cents, and second, in its cost of suffering.

It costs the city as a corporation, say $900 to collect the tax of $36,000. This is economical as taxes go, but treating the city as a community of people,—the only proper way to regard it,—it costs, in my judgment, between $200,000 and $300,000 a year to collect the tax. And $300,000 is an enormous sum to take in a single year from a community of about 25,000. These figures, of course, are an estimate. It is obvious that to begin with, the liquor dealers must receive not only the seventy-five per cent of the tax which the city collects and keeps, but the other twenty-five per cent which it collects and pays over to the state. The dealers must also collect from the people the cost of their rent, their liquors, their service, their profits, etc.; surely four times as much. And furthermore, drunkenness means an additional heavy loss of wages to laborers who are out of condition to do their work. $300,000 I believe to be less than the cost, but the reader can reduce this figure as freely as he chooses, and still the cost to the community of collecting the license fees is so great as to completely condemn the tax. All taxes are evils. All taxes take money from the people and are to that extent an injury. They are justifiable, of course, from their necessity, and economically that tax is the worst which costs the people the most to pay. The license tax is a tax on a monopoly, and as such it comes out of

the profits of the dealer, but the dealer collects the money to pay it and as much more as he can get from the people. The tax and its burden fall principally on the laboring man, and through him on his wife and children. The working-man's payments to the dealer are a very large proportion of his wages, and this loss of his wages means cold and hunger and ragged clothes and wretchedness to his family.

Now does any one get any good from this dearly collected tax? The city, as a corporation, gets some cash, and the tax payers as it seems at first sight, get the benefit of it as individuals in a lessened tax rate. Is it a gain or a loss to those tax payers? Let me take them up in their main classes. I have several times asked the heads of our large manufacturing corporations whether they would prefer to pay say an additional $2,000 or $3,000 apiece in taxes for their corporations, and have no license, or take the chance of saving that amount of money in taxes by having license, —and asked them to consider it entirely apart from the moral aspect of the question. Invariably they have said that it was more economical for them to have no license and pay, if they did pay, the additional tax. Their grounds were that the loss which resulted to them from the irregularity and inefficiency of their help was far greater than the amount that they might save in taxes. What is true of a great corporation is true of all the employers of labor, large and small, and together they pay a great proportion of the city's tax.

The next class that I will consider is the owner of real estate. Is the saving of this tax a gain or a loss to him? I believe it is true of this city and of all similarly situated suburban cities, that if a city is regarded as a license city it is a very small estimate to

deduct twenty per cent from the value of houses and land. A saving in taxation of say even one-fifth of one per cent of the value of the property is a very small compensation for the loss in value. On a house taxed for $4,000, the $2 a thousand saved in taxes, if obtained, would amount to $8 a year.

And how about the store keeper? We always hear the claim that in a license year money comes to town from the neighboring cities, and that money coming to town from the other cities means the sale of goods by the store keepers. But experience doesn't bear it out. Perhaps money comes to town, but it does not go to the store keeper. It goes to the saloons and what is more, much money that is in the town finds its way there too. There is no use in having money merely pass one's door. No one would feel any richer if Mr. Rockefeller drove through the town in an automobile. Our store keepers almost as a unit said that the license year of 1900 meant a loss to them in volume of business and in collection of bills.

The only class of property which I believe can save any amount of the license tax is that of personal property invested elsewhere. In this community the amount of such property was relatively small. Few owners of stocks and bonds would be willing to save a trifling tax at a cost in suffering to other people, and for those who would wish to we need have no consideration. It seems to me that the argument of benefit to the tax payer from license is thus disposed of conclusively and with as great exactness as can be obtained on any economic and social proposition.

My advice to every community similarly situated to the one I am familiar with, is that they vote no license and insist on the observance and enforcement of the

law, for I am sure that the moral and social conditions of their community will be better. I have laid special emphasis on the importance of insisting on the enforcement of the no license law; on insisting that the mayor and police authorities stop all illegal selling. The reason I have laid so much emphasis on this is because the proper enforcement of the law is not only good for the community but is demanded by the law-abiding qualities of our people. This national characteristic is at the moment a trifle obscured by certain doings and happenings in the political and business world. But it exists and will exist while this nation is sound. We have always felt that the greatest menace to the continuance of no license was the connivance by the authorities at illegal selling.

The liquor laws of many states undoubtedly need revision; some are too drastic to be sustained by the people,—some are apparently drastic but have convenient loopholes. The law of Massachusetts is, on the whole a very good one, based as it is on a very good theory—local option by municipalities and local adminstration. Its details, looked at from a broad administrative point of view as affecting the rights of the dealers and the social and moral needs of the community, are good. There are some errors in wording and some few provisions brought in from a narrow point of view or from a failure to distinguish between the needs of a metropolis and the needs of a small suburban city, which should be remedied—probably in the form of giving the licensing board more discretion. It is plain that the rules which apply to one of the large first class hotels of a city like Boston should be different from those that apply to a small building in a small city, which is used as a hotel only during license years.

The Massachusetts law as to transportation of liquor to no license places works badly, and the law relating to druggists' licenses is very unsatisfactory. The best practical solution of the latter seems to be to grant none, on the sound theory that no druggist will conform to the intention of the law. I cannot call the Massachusetts law a model, but its provisions and their application and effect should be carefully studied where revision of the liquor laws of a state is being considered.*

* Revised laws of Massachusetts, chapter 100. The amendments are summarized each year in the acts and resolves under the number of the chapter in the table of changes preceding the index in each volume.

Massachusetts Civic League Leaflets.

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*No. 1. The School That Built a Town, Walter H. Page.

No. 2. Ashfield Children's Exhibit and Prize Day, Charles Eliot Norton.

No. 3. A Village Library, Mary Anna Tarbell.

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No. 7. Medical Inspection in the Public Schools, Edited by Joseph Lee and Margaret Curtis.

No. 8. The Country Boy, George E. Johnson.

No. 9. The Liquor Law and Its Administration in Suburban Cities, Arthur Lyman.

*Out of print.